

**Lagos State Guideline and Training Pack
for
Developing and implementing a Performance
Management Report and Review process**



Lagos State Ministry of Economic Planning & Budget

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SECTION 1

1.0 INTRODUCTION & BACKGROUND

1.1 Performance Management Report and Review process in Lagos

As part of the Lagos State Government's desire to monitor how well it is delivering public services to the citizens of Lagos, the need to establish a robust framework for Performance Management Reporting and Review was identified in November 2008 as a necessary step to be undertaken.

DFID SPARC's programme has since then been supporting LSG to develop and operationalise a standard Performance Management Report and Review process that will be adopted across the state. The MEPB's MED is charged with the responsibility of leading this activity within the LSG. One of the key tasks that the MEPB's MED has had to do is the production of a Guideline for Performance Management Reporting and Review.

This methodology, guideline and training pack has been developed as a means of building the capacity of state officials for developing and implementing the Performance Management Report and Review process.

1.2 Structure of the Performance Management Report and Review Guideline

The Performance Management Report and Review Guideline is made up of four main sections and some appendices:

- Section 1 – Introduction
- Section 2 – The Performance Management Report
- Section 3 – The Performance Management Review
- Section 4 – The Post-Performance Management Review

Section 1 focuses on explaining what the Performance Management Report is, as well as why it is necessary. It further describes the principal actors that are to be involved in the process whilst additionally explaining the potential benefits that such a process would bring to the State, its MDAs and the administrative process of government, and to Lagos citizens at large.

Section 2 describes the key sections of the Performance Management Report and outlines the contents of the report. Furthermore, it gives a descriptive account of how the Performance Management Report would be written, particularly outlining the prescribed composition of the key teams to be involved in the development of the Performance Management Report as well as describing their specific roles and responsibilities. This helps to explain who should do what, and when.

It also sets out a schedule of activities which includes timelines for how the Performance Management Report is to be produced. Finally, the section ends with highlighting some key issues that MDAs and the drafting teams should be aware of in the course of their development of the Performance Management Report i.e. establishing robust systems and processes for collecting performance data throughout the year.

Section 3 provides an outline of what the Performance Management Review is, as well as how it is to be conducted. It describes the timetable for conducting the review, provides details who would take place in the review, and how the review's outcomes should be used in planning future public service delivery.

Section 4 explains how and why the Performance Management Report and Performance Management Review outcomes should be communicated to the citizenry. By doing this, LSG is able to render an account of its stewardship to citizens, in terms of the quantity and quality of public services that it provides. It also enables citizens to appreciate the totality of what government has to deliver to its citizens and strengthens the basis for the social contract between government and her citizens.

1.3 Objectives of the Performance Management Report and Review Guideline

The Performance Management Report and Review Guideline has the following core objectives:

- To raise awareness and enhance understanding of the Performance Management Report and Review process within LSG, and its importance to the administrative performance of the government;
- To set out what should be in the Performance Management Report and what it should look like – context, contents, format, and size;
- To establish a step by step account of how the Performance Management Report and Review should be undertaken – what to do, who will do it, and when will it be done; and
- To act as a resource for supporting the capacity building of state officials who are to be involved in the Performance Management Report and Review process.

The Guideline shall generally outline the sequence of activities that need to be undertaken in order for the Performance Management Report to be satisfactorily completed, and how the Performance Management review would be undertaken as well as how the review outcomes should be integrated into the overall planning cycle of the state.

1.4 What is the Performance Management Report and Review process

The Performance Management Report and Review process is a framework that allows LSG to:

- Annually capture, document and report on the performance of the sector's public service delivery system;
- Annually measure the sector's service delivery performance against a suite of established Key Performance Indicators and targets;
- Using a traffic lighting system, such an assessment will show whether the state's performance against a particular Key Performance Indicator is either good, average, or in need of improvement;
- Through the review process, identify and recommend changes to the public service delivery system – procedures, processes, deliverables – that are required in order for service performance to be improved; and
- Revise its annual sector plans (MTSS) and resource allocations (Budgets) in a way that provides more and improved public services to citizens.

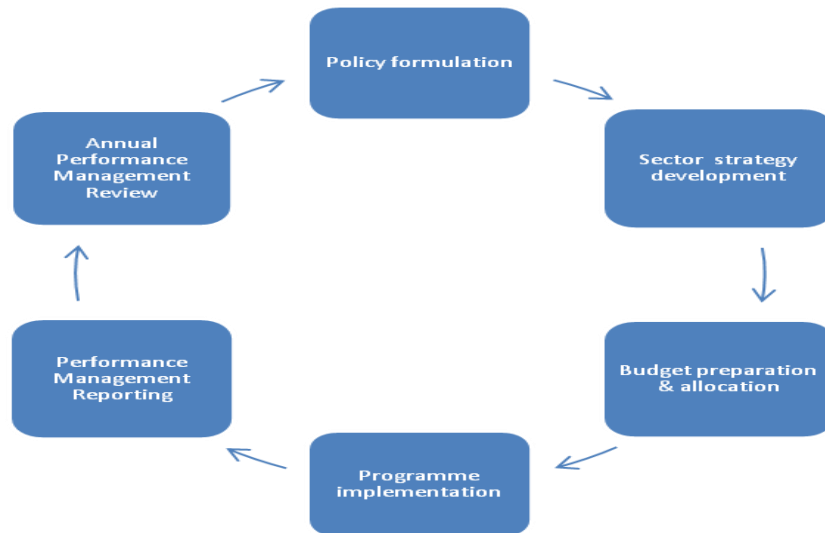


Figure 1: Annual Planning Cycle

The Performance Management Report process entails:

- The establishment of structures and procedures for capturing service performance data and information from, amongst others, frontline service delivery managers, service users, non-government service providers, government suppliers and contractors. Such information allows government to give an account of the outputs that are delivered by the sector;
- Analysing the service users' information to determine what outcomes are being achieved through the delivery of services;
- Documenting the above information in the Performance Management Report, together with the challenges that the sector has faced which have impacted on the quantity and quality of the services that are delivered;
- Including recommendations which address the challenges that the sector faces. It is such recommendations that would lead to future service improvements and enhanced service outcomes; and
- Revising the service delivery strategies and resource allocations which are the core of the state's annual planning activity.

1.5 Uses of the Performance Management Report and Review process

The Performance Management Report and Review process has the following uses to LSG:

- To review sectors' service delivery performance;
- To report to citizens on the service delivery performance of the sector;
- To analyse current service delivery strategies to determine whether they are achieving the government's desired outcomes; and
- Following the review, to revise service delivery strategies to make them more effective for delivering better performance results and outcomes for citizens.

1.6 Who is involved in the Performance Management Report and Review process

Those that will be involved in the Performance Management Report and Review process include:

- **The sector's MDAs** – they are responsible for delivering public services, generating and collating performance data for the sector;
- **The political headship of the sector** – approves the Performance Management Report upon its completion, and participates in the Annual Performance Management Review;
- **A Performance Management Report Drafting Team** – comprising 10 members drawn from senior managers from the sector and some senior technical officers from the MEPB. The representatives from the MEPB shall include a Statistician as well as a Planning Officer. The team shall be Chaired by an officer of the rank of a Director from one of the sector's MDAs. The team shall be responsible for analysing the relevant performance data and thereafter the writing of the Performance Management Report; and
- **A Performance Management Report Committee** – responsible for the high level facilitation of the Performance Management Report and Review process that will be necessary, especially in respect of negotiating for required resources from senior management of the sector's MDAs. The team shall additionally be responsible for first line review and approval of the draft report.

1.7 Expected benefits of the Performance Management Report and Review process

The Performance Management Report and Review process is expected to deliver the following benefits:

- LSG reviews its performance to ensure service delivery strategies are delivering best value as well as required outcomes for citizens;
- The framework allows government to report service performance to citizens. The production of the Performance Management Report and the conduct of the Performance Management Review enhances government's accountability to citizens on account of its delivery against its set policies.
- A strengthening of the basis for a social contract between LSG and citizens. The rendering of account on how government is performing in terms of delivering outcomes for citizens and the highlighting of the challenges faced by government e.g. inadequate resources, enhances the prospects of citizens appreciation of their obligations towards the administration i.e. payment of taxes;
- The framework enhances the prospects of sector MDAs and state officials being more focussed on delivering services that maximise outcomes for citizens. As the focus of government's programmes shifts more towards the delivery of outcomes for citizens, and the implementation of a performance monitoring regime, it can be expected that MDAs will focus their service delivery strategies on activities that the best results for citizens;
- The framework, including its prescribed timetable will allow future service delivery planning and MTSS development and revisions to inform annual budget preparations and resource allocations. This enhances the prospects of resources being allocated to service delivery strategies with the best chance of delivering the best outcomes for citizens; and
- Service delivery planning becomes more evidence-based. In capturing and reporting on service performance data, future revisions of the sectors' MTSS will become more based and influenced by data on current service delivery levels.

SECTION 2

2.0 THE PERFORMANCE MANAGEMENT REPORT STRUCTURE

2.1 Key sections of the Performance Management Report

Foreword by the Commissioner (1 Page)

Acronyms and Glossary of terms (1 Page)

Executive Summary (2 Pages)

- 1 Introduction (2 Pages)
 - 1.1 Background/Linkage with Sector Policies/MTSS
 - 1.2 Purpose of the Performance Evaluation Report
 - 1.3 Summary of stakeholders in the sector
- 2 Analysis of Key Performance Indicators (5 Pages)
 - 2.1 Summary of progress against work plans
 - 2.2 Assessment of actual performance against Targets for each Key Performance Indicator (KPI)
 - 2.3 Impact Analysis off strategies and programmes on relevant Key Performance Indicator (KPI)
 - 2.4 Conclusions and recommendations
- 3 Sector Financial Performance (4 Pages)
 - 3.1 Sector budget appropriation, disbursement and expenditure trends
 - 3.2 Overview of donor and NGO external assistance trends
 - 3.3 Conclusions and recommendations
- 4 Institutional And Organisational Capacity Development (3 Pages)
 - 4.1 Institutional and Organisational Capacity Development progress
 - 4.2 Human Resources Management performance
 - 4.3 Physical Infrastructure and Facilities development
 - 4.4 Conclusions and recommendations
- 5 Cross Cutting Sector Reform Progress (3 Pages)
 - 5.1 Linkages with other sectors
 - 5.2 Reform progress and Impact on overall goals of sector
 - 5.3 Conclusions and recommendations
- 6 Forward Look: Review and Adjustment of Sector Policy and Strategy (2 Pages)
 - 6.1 Recommendations for Policy, Strategy And Programme adjustments
 - 6.2 Recommendations for Medium-Term Budget adjustments
 - 6.3 Strengthening partnerships in the sector

Appendices

Annex 1: Data Sources and Methodology

Annex 2: Key Performance Indicator Targets and Statistics

2.2 Guidance on the PMR Process

A Planning Phase

A key stage in the annual performance review process is the MTSS development process which must have established the relevant sector KPIs. It is based on the presence of this essential document that the Honourable Commissioner (MEPB) can commence the annual review process.

- The Honourable Commissioner of MEPB through its M&E unit notifies the Honorable Commissioner(s) of the MDAs/sector for the development/commencement of the annual Performance Management Reporting and review process, providing the rationale for its necessity.
- Upon notification, each sector is expected to constitute its **Sector Performance Management Report Development Team** members (representing all the agencies in the sector).
- These core members are initially trained by MEBP M&E TWG using this guideline and tools however, subsequently, trained members shall conduct training for its members. It must be noted that MTSS development group in the sector is represented in this **Sector PMR Development Team**.

B Fieldwork or analysis Phase

- In each sector, it is expected that the Honorable Commissioner shall hold a formal briefing to all management staff to secure their participation, support and commitment for the success of the activities.
- The core **Sector PMR Drafting Team** members shall be responsible for gathering relevant data and evidences, extracting important and analyzed data within the sector/MDA and preparing it into master data according to the KPIs. The team shall ensure the integration of this synthesized data and information into the report content, and ensure complete and full reporting while adhering to the Performance Evaluation Guidelines.
- The M&E TWG continues to provide technical support to the Sector throughout the data gathering and reporting process.
- After the report has been prepared, the team shall also be responsible for the distribution of both the interim and final reports.
- A formal submission of the Final Report with the MEBP summarized review incorporating sector/MDAs responses shall be made to Lagos State Exco through the HOS and State Steering Committee.

2.3 Composition of the implementing teams

The implementation teams consist of **Sector PMR Development Team** made up of 3 sub teams namely: Sector PMR Steering Committee, Sector PMR Drafting Team, and Sector Review Team

- **Sector PMR Steering Committee:** This committee led by the Hon Commissioner shall be responsible for approving the sector report and ensures that the annual review process is undertaken.
- **Sector PMR Drafting Team:** This 10 – 12 member team shall be led by the Director of PRS in each Sector MDA, and be responsible for ensuring that the report meets the highest quality standard based on agreed timeline. The members shall consist of two Deputy Directors, three Assistant Directors, and senior officers with GL 12 – 14. This team is responsible for collaborating with the MTSS Planning and management Working group for synergy and alignment. For the pilot phase these are the proposed members of the *Sector PMR Drafting Team members*.

- **Sector Review Team:** This team shall consist of all management cadre in the sector to review and approve the draft report and ensure prompt responses to the state review team. This team shall also ensure that presentation of the formal report is synthesized for the sector implementation in all its programmes. It is led by the Permanent Secretary of the MDA. There are two levels of reviews expected in the process. The Internal review process shall include the technical review of the draft report by the key management teams in the MDAs. This team reviews it for factual accuracy, tone and consensus reached on the MDA results, achievements and progress. Then a sector internal review team consisting of the managers of the MDAs in the sector meet to ratify the report before submission.

Example: Pilot PMR Drafting members

Health Sector

1. Representative of Health Service Commission
2. Representative of Health facilities Accreditation and Monitoring Agency (HEFAMA)
3. Representative of Primary Health Centres and Hospitals
4. Representative of Board of Traditional Medicine
5. Representative of Office of the Special Adviser on Health
6. Representative of Lagos State Aids Control Agency
7. Representative of Disease Control Agency
8. Representative of Planning Research and Statistics
9. Representative of Roll Back Malaria
10. Representative of PATHS 2 (Development partner)

Education Sector

1. Representative of Ministry of Education
2. Representative of Education Districts I-VI
3. Representative of the Special Adviser on Education
4. Representative of State Universal Basic Education (SUBEB)
5. Representative of Teachers Establishment and Pension office (TEPO)
6. Representative of Agency for Mass Education
7. Representative of Lagos State Examination Board
8. Representative of Inspectorate Department
9. Representative of Planning Research and Statistics
10. Representative of ESSPIN (Development partner)

2.4 Roles and Responsibilities

Key individuals in the Performance Management Report and Annual Performance Review Process:

- Service Managers documenting service performance throughout the year
- Performance Management Report drafting team write up the report
- Performance Management Report drafting team Coordinator responsible for ensuring all KPIs are tracked and recorded against goals/targets
- State Performance Review team conducts the Annual Performance Review
- The External Review Process shall be coordinated by MEPB and shall focus on review of Sector progress against MTSS. This shall be done in MEPB with all relevant departments participating in producing a “Two page summary of sector progress” with full participation of civil society.

- MTSS development team responsible for reviewing and revising the sector MTSS based on the performance reporting.

2.5 Outline of indicative timelines

Key stages of the Annual Performance Review include:

- MTSS development process establishes relevant sector KPIs
- Formation of the review and report drafting teams
- Data (evidence) gathering and collation
- Drafting of the Performance Management Report
 - Review of progress against work plans
 - Assessment of performance against targets/KPIs
 - Analysis of strategies and programmes on relevant KPIs
 - Conclusions and recommendations
- A submission of interim report is made to MEPB with a cover letter from the Commissioner(s) by January 15th of each year. This is to allow the review process to provide feedback into the next annual planning process.
- Performance Review meeting in April and revision of the MTSS (to feed into the annual budget preparation process)

2.6 What will be reported on

Key Performance Indicators (KPIs)

The focus of the Performance Management Report is the reporting of results against established targets. It therefore follows that the entire Performance Reporting process should start with the definition and establishment of sector or MDA targets at the time of the development of the sector's MTSS.

There would often be three levels of results that are achievable for which performance indicators need to be set. These are:

- Impact level results – relating to expected long-term results;
- Outcome level results – relating to medium-term results of between 3 – 5 years; and
- Output level results – which follow the expected results from more immediate activities i.e. the delivery of a capacity building training course.

Each key objective of the sector/MDA would need to have indicators set to monitor performance over the short, medium, and long term.

Clear definitions need to be established for each of the Performance Indicators as there is a need for what is intended to be measured to be made very clear, and without ambiguity. The indicators also need to be:

- Specific – unambiguously describing what it measures and when;
- Measurable – be quantifiable and comparable;
- Achievable – with the right resources are investment, results should be attainable;
- Relevant – relating to the scope of the programme and the changes it could bring about; and
- Time-bound – outlining a specific time period over which the indicator is to be measured.

With the Performance Indicators identified and defined, the next step would be to establish the current baseline position as this would form the basis against which future performance would be measured. In conjunction with the determination of the baseline position for each

indicator, it would also be necessary to set the performance target to which the sector/MDA should aspire with regards to the specific Performance Indicators. And it is all of the above that needs to be reported through the Performance Management Report.

Quick Note:

- *KPIs should be set at 3 different levels:*
 - *Impact level*
 - *Outcome level*
 - *Output level.*
- *Each indicator needs to be described in order to establish clarity.*
- *Baseline of current performance needs to be set.*

Following the narrative in the Performance Management Report, a table detailing the sector’s performance against the Key Performance Indicators should be included. The table below is suggested as a format that could be adopted.

Expected Results	Performance Indicator	Description	Baseline	Target	Current Performance	Traffic Light	Data Source	Comments
Impact level								
Outcome level								
Output level								

2.7 Key sources of data

An important aspect in the Performance Management Reporting process is the source of data. As the report is meant to be evidence-based, with supporting data to prove the level of performance, it is essential for a robust process for collecting and documenting such evidence to be put in place.

The supporting data that would be used to populate the Performance Report would ordinarily come from some or all of the following sources:

- **Administrative data** – records and data that are routinely collected through the administrative processes and systems of the relevant MDAs. These would include data from management databases and registers, service user records obtained through service delivery units etc.; and
- **Household or other surveys** – these would be a collection of data from a sample that is considered to be representative of the population.

The individual MDAs will be responsible for establishing the appropriate arrangements through which these data can be captured, collated and documented, although some support may be required from the MEPB’s MED.

SECTION 3

3.0 OVERVIEW OF THE ANNUAL PERFORMANCE MANAGEMENT REVIEW

3.1 How will the Performance Management Review be conducted

In line with the prescribed timetable for the Annual Performance Management Review, the review should be conducted in the month of February. This is so that the review outcomes can inform the review of sector MTSSs which would in turn inform the annual budget preparation process.

Activity	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Production of PMR	█											
Annual PM Review					█							
MTSS review/revision						█	█	█	█			
Annual call circular									█			
Budget preparation										█	█	
Passage of Budget											█	█
Budget implementation	█											

Table 1: Timescales for State planning activities

The Performance Management Review shall be a process where senior management of the sector's MDAs, including the political head, review the Performance Management Report that has been produced as a way of validating the contents.

Ahead of the annual Performance Management Review, the final Performance Management Report shall be submitted to members of the Performance Management Review team at least three weeks to the date of the review. The Performance Management Review team will be expected to read the report and where necessary to request for additional supporting evidence which supports the conclusions on service performance that are contained in the Performance Management Report.

A select group of representatives of the Performance Management Report Drafting team shall attend the review meeting to answer any queries that the Performance Management Review team may have on the day of the review. Some of the key questions and issues that the Performance Management Review team may investigate or respond to during the review include:

- Are the performance results that are stated in the Performance Management Report correct?
- Does the evidence (data) that is stated in the Performance Management Report support the conclusions on service delivery performance that has been reached by the sector Performance Management Report Drafting teams?
- Are the Key Performance Indicators and sector Targets appropriate i.e. are they capable of delivering the government's desired outcomes? Or would they need to be revised in the future?
- Are the challenges that the sector faces, which are cited and explained as contributors to poor service delivery performance in the sector, the correct ones?

- Are the recommendations that are included in the Performance Management Report correct and appropriate? Would they ultimately lead to future improvements in service delivery performance?

The answers to the above questions will inform the Performance Management Review team's acceptance of the Performance Management Report and the subsequent suggestions on how it should be revised.

3.2 How are the outcomes of the Performance Management Review used

The outcomes of the Performance Management Review for the following primary purposes:

- Feedback to citizens
- Revision of sector strategies
- Revision of resource allocations

Feedback to citizens. The outcomes of the review can be disseminated to the general public in Lagos as government's account of what it has delivered to citizens by way of public services. This process lays down a baseline of service delivery standards that citizens can start to expect for the future as well as to give them the information with which they can query government about its future performance.

Revision of sector strategies (MTSSs). As the outcome of the Performance Management Review includes an account of current service delivery performance, a highlight of sector challenges, and recommendations that should lead to improved performance in the future, they need to be taken into account when the sector's MTSS is being revised. Revisions to the MTSS should therefore include sector priorities, implementation plans and programmes, service delivery mechanisms e.g. where a service may be better delivered through the private sector in an environment where government has a robust regulatory framework.

Revision of resource allocations. By using the outcomes of the review to revise the sector's MTSS, the opportunity also arises for future allocations of state resources to be revised in line with the state strategies that will produce the best service delivery outcomes for citizens. If new service delivery methodologies or strategies are recommended, then revisions need to be made to how resources are allocated across sectors as well as programmes. Such revisions need to be reflected in the following year's annual budget of the state.

3.3 Who should be involved in the Performance Management Review process

The following group of individuals will be expected to take part in the Annual Performance Management Review process:

- Some political heads from within the sector as well as from outside the sector;
- Some senior civil servants from within the sector as well as from outside the sector;
- Representatives of some appropriate service user groups; and
- Relevant industry and sector experts.

The inclusion of people from outside the sector is the result of a need to inject a sense of objectivity to the process of the review. The selected individuals will be a mixture of people with good knowledge and understanding of the sector(s), an understanding of what the

customers of the sector want, as well as those with a good knowledge of the way government works.

3.4 Key items to be considered during the Performance Management Review

The following are the key items that will be considered during the Annual Performance Management Review:

- Background of Lagos State – giving a “State of the State” perspective on Lagos;
- Key priorities of the state – as indicated in the Government’s 10-Point Agenda;
- Financial statement – a summary account on the use of state resources;
- Key achievements – highlights of good performance in relation to state objectives;
- Key challenges – highlights of major constraints to good performance; and
- Key recommendations – future actions required for improving performance.

These will be drawn from a 2-page document summarizing the Sector PMR produced by the sector/MDA review team members, and should cover the following:

- Sector goals;
- Key highlights;
- Major achievements; and
- Identified challenges.

SECTION 4

4.0 POST PERFORMANCE MANAGEMENT REVIEW STAGE

4.1 Submission to, and approval of the Performance Management Report and Review outcomes by the LSG Executive Council

Once the Annual Performance Management Review has been concluded and the Performance Management Review team has offered its comments and suggestions on how the Performance Management Report should be revised, the revised report will then have to be presented to the LSG's Executive Council for approval.

With the Hon Commissioner, MEPB as the sponsor, the final revised Performance Management Report will be considered by the State ExCo and approved before being made available for public consumption. This should happen on or before May.

4.2 Dissemination of the Performance Management Report to the general public

The final annual Performance Management Report needs to be disseminated widely to service users, the general public, CSOs, and other stakeholders. In order to extend access to the report to as many potential readers as it is possible, several platforms need to be considered and used for the dissemination of the report. These could include any or all of the following:

- The internet;
- LSG's intranet;
- The Published Report – placed in public buildings e.g. hospitals, libraries, and some selected educational establishments; and
- Printed extracts from the report can be placed as inserts in selected national dailies.